## EXHIBIT III-4



2107 Wilson Boulevard Arlington, VA 22201

Phone 703 974-4610 Fax 703 974-0314 jeffrey.a.masoner@verizon.com

Jeffrey A. Masoner

Vice President Interconnection Services Policy and Planning Wholesale Marketing

June 21, 2004

«Contact Name»

«Contact Title»

«Contact\_Company»

«CLEC»

«Contact Address Line 1» «Contact Address Line 2»

«Contact City», «Contact State» «Contact ZIP»

Subject: LINE SHARING RATE INCREASES

This letter is a **formal notice** under the interconnection agreement between «Legal\_Entity» and «CLEC» for the «State\_Of».

In its Report and Order and Order on Remand and Further Notice of Proposed Rulemaking, CC Docket Nos. 01-338, 96-98, and 98-147, FCC 03-36, 18 FCC Rcd 16978, released on August 21, 2003 (the "Triennial Review Order"), the Federal Communications Commission promulgated new rules and regulations pertaining to the availability of unbundled network elements pursuant to Section 251(c)(3) of the Communications Act of 1934 (the "Act"). Among other things, the FCC determined that CLECs are not impaired without access to Line Sharing,\* and that ILECs such as Verizon therefore are not required to provide new Line Sharing arrangements on an unbundled basis under Section 251(c)(3) of the Act on or after October 2, 2003.

In addition, the FCC imposed transitional rules for Line Sharing arrangements placed in service during the period October 2, 2003 through October 1, 2004 pursuant to its authority under Section 201(b) of the Act. Under those transitional rules, Verizon will not provision new Line Sharing arrangements on or after October 2, 2004.

<sup>\*</sup> Line Sharing is generally described in the Triennial Review Order as the process by which a CLEC provides xDSL service over the same copper loop that Verizon uses to provide voice service by utilizing the frequency range on the copper loop above the range that carries analog circuit-switched voice transmissions (the High Frequency Portion of the Loop, or "HFPL"). The HFPL includes the features, functions, and capabilities of the copper Loop that are used to establish a complete transmission path between Verizon's distribution frame (or its equivalent) in its wire center and the demarcation point at the end user's customer premises, and includes the high frequency portion of any inside wire (including any House and Riser Cable) owned and controlled by Verizon.

## LINE SHARING RATE INCREASES

June 21, 2004 Page 2

The FCC's rules and regulations pertaining to Line Sharing took effect on October 2, 2003, and the related provisions of the Triennial Review Order were affirmed by the U.S. Court of Appeals for the D.C. Circuit on March 2, 2004.

In accordance with the foregoing decisions, Verizon hereby provides formal notice to your company that, after October 1, 2004, Verizon will no longer provision new Line Sharing arrangements under Section 251(c)(3) of the Act.

Moreover, in order to give effect to the FCC's transitional rules, Line Sharing arrangements placed in service during the period October 2, 2003 through October 1, 2004 shall be priced as follows:

Period	Rate
10/2/03-10/1/2004	25% of the applicable monthly recurring loop rate
10/2/04-10/1/2005	50% of the applicable monthly recurring loop rate
10/2/05-10/1/2006	75% of the applicable monthly recurring loop rate
10/2/2006 and after	100% of the applicable monthly recurring loop rate

The applicable monthly recurring rate is the rate set forth in your existing interconnection agreement or applicable state tariff or rate order for an xDSL compatible loop or, if none, a 2 wire analog loop.

In addition, all other monthly recurring rates, non-recurring rates, and other rates and charges for Line Sharing as set forth in your interconnection agreement or applicable state tariff or rate order shall apply.

These increases in rates for your Line Sharing arrangements will be billed to you beginning in October 2004 on a going forward basis. In addition, rate increases for line sharing arrangements provisioned on or after October 2, 2003 will be back-billed to the date provisioned at that time.

To the extent notice of such changes in law, or notice of termination of service/facilities availability, is relevant to the foregoing and is required under your interconnection agreement, this letter shall serve as such notice.

If you believe that your company's interconnection agreement requires Verizon to continue providing Line Sharing after October 1, 2004, please provide written support for your position to Mr. Michael Tinyk at:

Verizon Services Corp. Suite 500 1515 North Courthouse Road Arlington, VA 22201

Phone: 703-351-3159 Fax: 703-351-3664

Email: michael.d.tinyk@Verizon.com

If we do not hear from you by August 1, 2004, Verizon will give effect to the foregoing notice after October 1, 2004.

Vice President Interconnection Services

a marmer